

Recommended Board of Supervisors Response to the San Luis Obispo Grand Jury's 2014-15 report "Working or Not: Challenges in enforcing Coastal Vacation Rental Regulations".

Grand Jury Findings and Recommended Board Responses

Finding #1. *The county has adopted and subsequently updated a vacation rental ordinance in Avila Beach, Cambria and Cayucos intended to maintain community quality of life and ensure consistency in vacation rental policy.*

Recommended Response: The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response and agrees with this finding (see attached responses from the Department of Planning and Building).

Finding #2. *The number of licensed vacation rentals in these areas of the county is growing.*

Recommended Response: The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response and agrees with this finding (see attached responses from the Department of Planning and Building).

Finding #3. *Many residents are unaware of the provisions of the ordinance dealing with the licensing and management of vacation rentals.*

Recommended Response: The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response and partially disagrees with this finding (see attached responses from the Department of Planning and Building)

Finding #4. *The county has placed a low priority on enforcing provisions of the ordinance dealing with the licensing and management of vacation rentals.*

Note: Neither the Department of Planning and Building nor the Auditor-Controller-Treasurer-Tax Collector (ACTTC) is required to respond to finding #4.

Recommended Response: The Board of Supervisors partially disagrees with this finding. Currently, Code Enforcement limits proactive enforcement to violations related to health and safety violations. County Code Enforcement responds to residential vacation rental violations on a complaint basis. The referrals are normally generated by the Auditor-Controller-Treasurer-Tax Collector (ACTTC) and the general public. When a complaint is submitted to County Code Enforcement, a case is opened and investigated within 10 working days. County Code Enforcement pursues all cases until they are satisfactorily resolved. Since 2011, there have been a total of 18 complaints filed regarding vacation rentals. A total of 11 of these violations were due to unpermitted rentals. The other seven complaints included signage and parking violations. All but two cases have been resolved.

Finding #5. *While the county has a process to respond to parking and noise issues connected with vacation rentals when they are brought to the attention of the Sheriff, California Highway Patrol or Planning Department, residents have no effective way to identify the property manager who is supposed to be the first level of contact for such complaints.*

Recommended Response: The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response and disagrees with this finding (see attached responses from the Department of Planning and Building).

Finding #6. *The county has no proactive programs to identify unlicensed vacation rentals even though officials believe the number may be significant.*

Recommended Response: The Board of Supervisors adopts the responses from the Department of Planning and Building and the ACTTC as the Board's response and agrees with this finding (see attached responses from the Department of Planning and Building and the ACTTC).

Finding #7. *Although the county can identify those homeowners whose transient occupancy tax certificate generates little or no revenue, the county has no policy that limits the renewal of such certificates and associated business licenses.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and agrees with this finding (see attached response from the ACTTC).

Finding #8. *There is no termination process for inactive or unused vacation rental licenses.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and agrees with this finding (see attached response from the ACTTC).

Finding #9. *The county loses revenue when property owners or managers operate unlicensed vacation rentals and do not pay relevant taxes and fees.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and agrees with this finding (see attached response from the ACTTC).

Finding #10. *The county loses revenue when individuals obtain transient occupancy tax certificates and then do not use them since this effectively blocks others from obtaining such certificates and using them.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and agrees with this finding (see attached response from the ACTTC).

Finding #11. *Increased enforcement of vacation rental license compliance and associated tax and fee revenue collection would generate funds to cover the costs of such activity.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and partially disagrees with this finding (see attached response from the ACTTC).

Finding #12. *The Planning Department and the Office of the Auditor, Controller, Treasurer and Tax Collector (Tax Collector) do not coordinate with one another on issues of unlicensed vacation rentals or with licensed vacation rentals which pay little or no transient occupancy taxes.*

Recommended Response: The Board of Supervisors adopts the response from the ACTTC as the Board's response and partially disagrees with this finding (see attached response from the ACTTC). In addition, see the Board of Supervisors response to finding #4.

Grand Jury Recommendations and Recommended Board Responses

Recommendation #1. *The Board of Supervisors should provide direction and funding to place higher priority on enforcing coastal vacation rental regulations.*

Note: Neither the Department of Planning and Building nor the Auditor-Controller-Treasurer-Tax Collector (ACTTC) is required to respond to recommendation #1.

Recommended Response: The recommendation will not be implemented because it is not warranted or is not reasonable due to the low number of complaint violations received to date as the Board of Supervisors responded in finding #4.

Recommendation #2. *To better support the complaint process, the county should implement a way for residents to identify the appropriate property manager for a vacation rental. This could be to require an annual notification to neighbors by the property manager or having the county maintain a public online listing of vacation rental contacts.*

Recommended Response: The recommendation will not be implemented as it is not warranted or is not reasonable. The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response to this recommendation (see attached response from the Department of Planning and Building).

Recommendation #3. *The Tax Collector should set a minimum level of revenue to be generated over a set time period (e.g., 2 to 3 years) in order to retain a transient occupancy tax certificate.*

Recommended Response: This recommendation will not be implemented because it is unwarranted or unreasonable. The Board of Supervisors adopts the response from the ACTTC as the Board's response to this recommendation (see attached response from the ACTTC).

Recommendation #4. *The Tax Collector and the Planning Department should develop and implement a process to deal with the issues of unlicensed vacation rentals and unused or minimally used transient occupancy tax certificates.*

Recommended Response: The recommendation to deal with the issues of "unlicensed vacation rentals" has been implemented. The recommendation to deal with the issues of "unused or minimally used transient occupancy tax certificates" will not be implemented because it is unwarranted or unreasonable. The Board of Supervisors adopts the responses from the Department of Planning and Building and the ACTTC as the Board's response to this recommendation (see attached responses from the Department of Planning and Building and the ACTTC).

Recommendation #5. *The Planning Department should enforce the requirement to list transient occupancy tax certificate numbers on advertised vacation rental listings.*

Recommended Response: The recommendation has been implemented. The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response to this recommendation (see attached response from the Department of Planning and Building).

Recommendation #6. *The Planning Department should create and post on its website a list of licensed vacation rentals by address so concerned individuals can confirm whether a given property is a licensed vacation rental.*

Recommended Response: The recommendation has not yet been implemented, but will be implemented in the near future. Full implementation of this recommendation is estimated to be completed by July 1, 2017. The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response to this recommendation (see attached response from the Department of Planning and Building).

Recommendation #7. *The Planning Department should determine and fund a way to monitor whether advertised vacation rentals are properly licensed, thus ensuring collection of related taxes and fees, which can more than cover these costs.*

Recommended Response: The recommendation will not be implemented because it is not warranted and is not reasonable. The Board of Supervisors adopts the response from the Department of Planning and Building as the Board's response to this recommendation (see attached response from the Department of Planning and Building).
